

Message Text

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ACTION NEA-12

INFO OCT-01 ISO-00 NEAE-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15

STR-08 CEA-02 PA-03 PRS-01 USIA-15 DRC-01 /144 W

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FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 6858

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

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PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, IN

SUBJ: INDIA'S FOREIGN EXCHANGE RESERVES

REF: NEW DELHI 8392

SUMMARY: INDIA'S FOREIGN EXCHANGE RESERVES WERE \$1,388 MILLION AT END-JUNE 1973 AND ARE ESTIMATED BY EMBASSY TO BE \$1,404 MILLION AT END-AUGUST. END SUMMARY.

1. OFFICIAL INDIAN DATA ON RESERVES ARE NOW AVAILABLE FOR THE MONTH OF JUNE. ACCORDING TO THESE DATA RESERVE BANK OF INDIA (RBI) HOLDINGS OF FOREIGN EXCHANGE AMOUNTED TO RS 4.0 BILLION (\$548 MILLION BASED ON AVERAGE DOLLAR-STERLING CROSS RATE ON LONDON MARKET IN JUNE OF RS7.30 EQUAL \$1.00). OTHER COMPONENTS WERE: (A) RS 1.16 BILLION (\$159 MILLION) IN FOREIGN EXCHANGE HOLDINGS OF THE GOI; AND (B) RS 1.83 BILLION IN GOLD (\$293 MILLION VALUED AT \$42.22 AN OUNCE). ACCORDING TO SEPTEMBER

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IFS, SDR HOLDINGS AT END-JUNE WERE \$296 MILLION AND GOLD TRANCHE

POSITION \$92 MILLION. TOTAL RESERVES AT END-JUNE THUS TOTALLED \$1,388 MILLION.

2. ONLY INCOMPLETE DATA AVAILABLE PAST JUNE. ACCORDING TO THE RBI'S LATEST WEEKLY BALANCE SHEET, THE RBI AT END-AUGUST HAD FOREIGN EXCHANGE HOLDINGS OF RS 4.40 BILLION (\$580 MILLION BASED ON AVERAGE DOLLAR-STERLING CROSS RATE IN LONDON DURING AUGUST OF RS 7.59 EQUAL \$1.00). ITS GOLD HOLDINGS CONTINUED TO BE RS 1.83 BILLION (\$293 MILLION). INDIA'S SDRS WERE \$296 MILLION AND GOLD TRANCHE POSITION IN THE FUND \$92 MILLION AT END OF JULY, ACCORDING TO IFS.

3. ASSUMING NO CHANGE IN SDRS AND GOLD TRANCHE POSITION SINCE JULY, AND NO CHANGE IN GOI (AS OPPOSED TO RBI) HOLDINGS ABROAD SINCE JUNE, INDIA'S TOTAL RESERVES AT END-AUGUST ARE ESTIMATED BY EMBASSY AT \$1,414 MILLION.
SCHNEIDER

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